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Measuring Trade Facilitation Performance:
Rationale, ESCAP Tools & Way Forward

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Overview

- Introduction
- ESCAP Trade Facilitation Framework
- ESCAP's Regional Trade Cost Database
  - Some findings from data analysis
- ESCAP's Business Process Analysis Initiatives
  - Selected findings
- Conclusions & Recommendations

Introduction

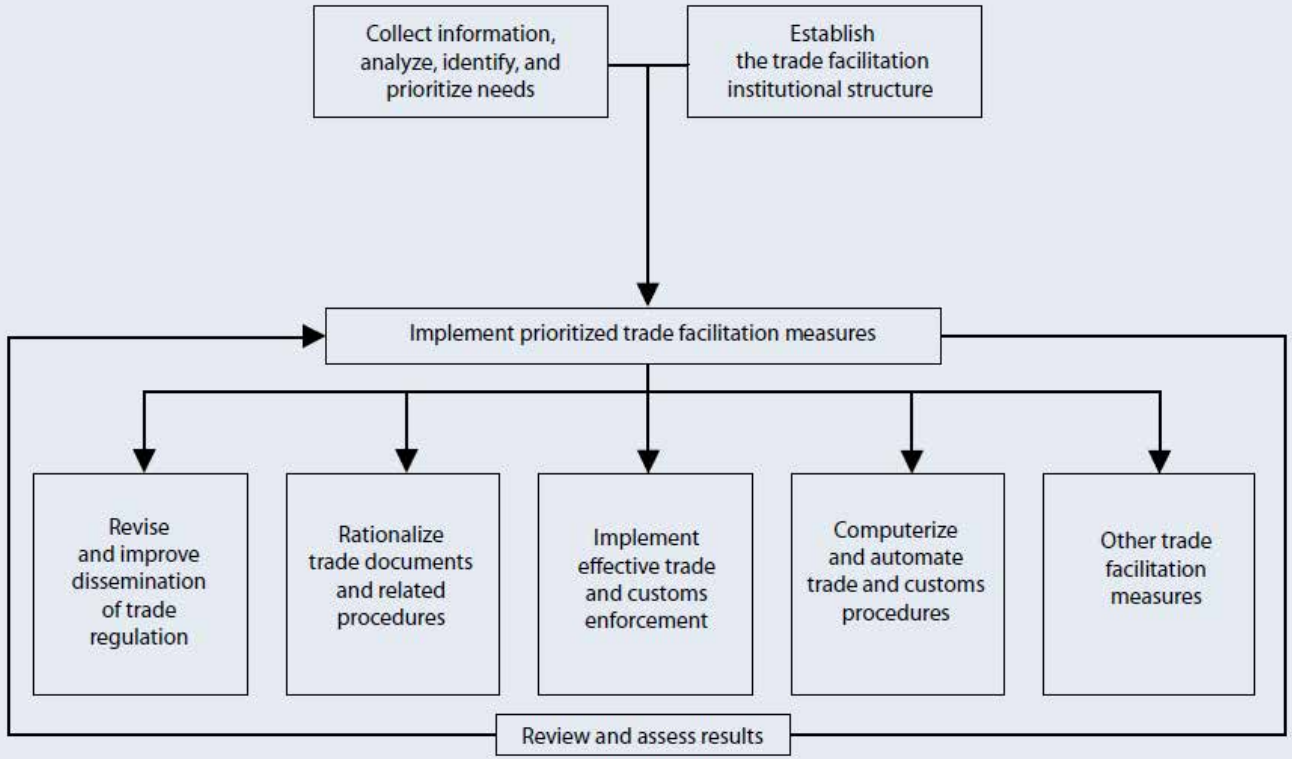
- Measuring progress is crucial
  - Identifying trade facilitation measures that work – and those that don't
  - Ensuring that the changing needs of stakeholders are understood
  - Securing needed financial and/or political support to make further improvements and implement additional/new measures

- Various tools already exist
  - TF (need) assessment frameworks
    - List of TF measures & information about their implementation status: APEC TFAP; WCO or WTO TF assessment check list; ESCAP TF Framework
  - TF performance monitoring databases or methods
    - Macro level (global/general): Doing Business, WB LPI, UNCTAD LSCI, others
    - Macro level (bilateral/intra/interregional): ESCAP Trade Cost Database
    - Micro level (national/bilateral & product/corridor specific): CAREC CPPM; ESCAP/ECE BPA; ESCAP time/cost distance model; WCO TRS; others

ESCAP Trade Facilitation Framework (1)

- Developed by a regional team of TF experts in 2003/4
- What is it?
  - Series of suggested Trade Facilitation implementation steps and sub-steps
  - With associated (yes/no) indicators (to assess state of implementation)
  - Also include suggested key performance indicators

Figure 3.1: **Step-by-Step Trade Facilitation: A Framework for Action**

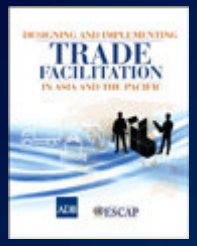


Source: ESCAP. 2004.

- http://www.unescap.org/tid/publication/t&ipub2327.asp

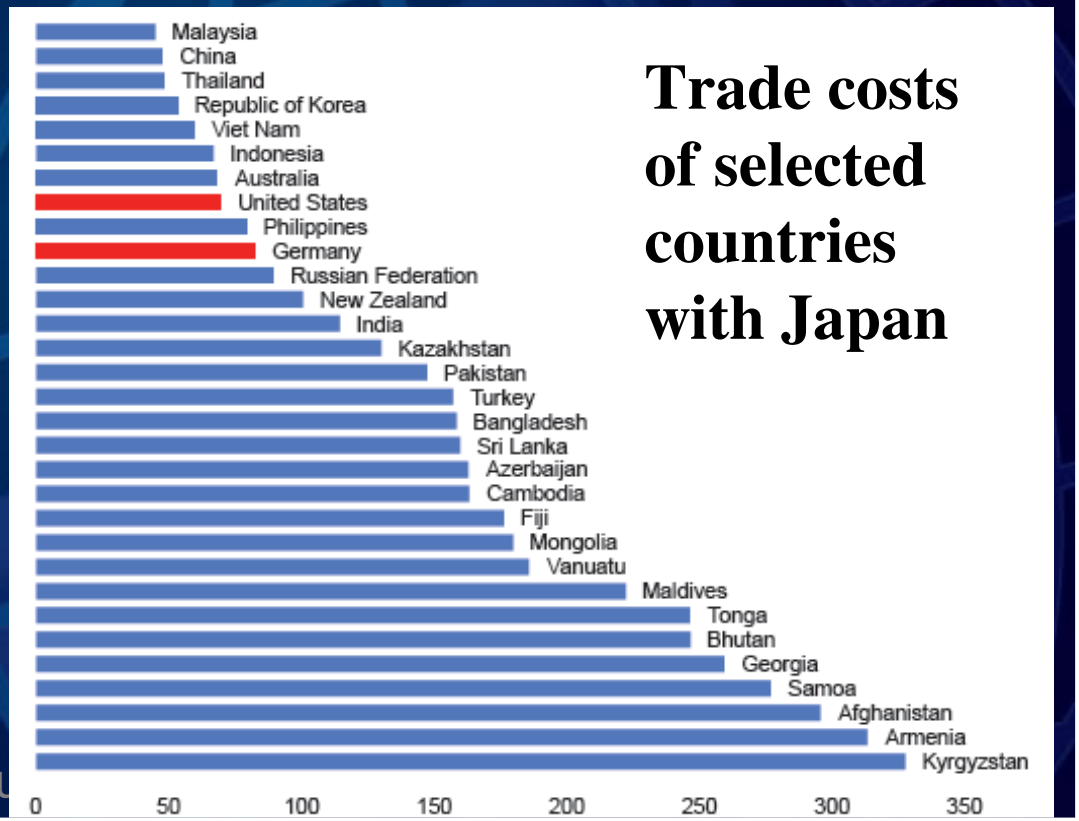
ESCAP Trade Facilitation Framework (2)

- (known) Applications so far:
  - Applied in several Central Asian countries on a pilot basis in 2004-5
    - Unclear whether the framework was used for monitoring of TF implementation by individual countries after project ended
  - Used as the basis for development of the ASEAN Trade Facilitation Framework (mandated as part of the ASEAN Trade in Goods Agreement implementation)
    - ASEAN has not made its framework public;
- Simplified and updated version introduced in the ADB-ESCAP Reference Book on "*Designing and Implementing Trade Facilitation in Asia and the Pacific*", 2009
    - http://www.unescap.org/tid/projects/tfforum_adbescapbook.pdf



ESCAP Bilateral Trade Cost Database

- Macro-level indicator of Trade Facilitation Performance
  - Measure of all direct and indirect international trade costs between two countries
- Only database providing bilateral trade cost information
  - Directly relevant for intra-regional trade performance monitoring
  - 50+ countries (http://www.unescap.org/tid/artnet/trade-costs.asp)
- Version 2.0 under dev.
  - 107 countries
  - Enhanced trade cost indicators
  - Disaggregated into:
    - Industry trade costs
    - & Agricultural trade costs
  - To be available by: Dec. 2011



Intra & Inter subregional Trade Costs in Asia

(excluding tariff; 2007 in tariff equivalent; changes since 2003 in parenthesis)

	ASEAN-4	East and North-East Asia	North and Central Asia	SAARC-4	Aus-NZ	EU-5	NAFTA
ASEAN-4	49% (-1%)						
East and North-East Asia	132% (na)	105% (na)					
North and Central Asia	259% (10%)	193% (-5%)	148% (12%)				
SAARC-4	117% (-4%)	201% (na)	258% (-6%)	113% (-5%)			
EU-5	105% (2%)	127% (na)	161% (-3%)	124% (-2%)	122% (0%)	59% (-3%)	
NAFTA	101% (3%)	109% (na)	244% (10%)	137% (-7%)	122% (6%)	104% (1%)	50% (15%)

→ Intra-Asia trade cost HIGHER than trade cost of Asia with non-Asian partners

ss Process Analysis Initiatives for Trade Facilitation

AP's support to paperless trade

ns Network of Experts for Paperless Trade in Asia and the Pacific

ap.org/unnext/

UNNExT
United Nations Network of Experts for Paperless Trade in Asia and the Pacific

usiness Process Analysis Guide for the
on of Trade Procedures (2010).

BPA? Analysis, including mapping, timing and costing of a process (e.g., moving goods from factory to deck of ship)

Why? Necessary first step to improving a process